CENTER FOR REGULATORY ANALYSIS AND ENGAGEMENT

A Project of the Main Street Foundation

**M E M O R A N D U M**

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| **To:** | **Hon. Robert F. Kennedy, Jr., Secretary of Health and Human Services**<br>**Hon. Mehmet Oz, MD, Administrator, Centers for Medicare and Medicaid Services** |
| **From:** | **Andrew Langer, President, Main Street Foundation** |
| **Date:** | **July 20, 2026** |
| **Re:** | **Comments on the Department of Health and Human Services Centers for Medicare and Medicaid Services Information Request, "CMS-10249 (Administrative Requirements for Section 6071 of the Deficit Reduction Act)," Docket #CMS-2026-2278, Form CMS-10249, Published May 20, 2026** |

Below are comments of the Main Street Foundation's Center for Regulatory Analysis and Engagement (CRAE) in response to the Department of Health and Human Services Centers for Medicare and Medicaid Services Information Request, "CMS-10249 (Administrative Requirements for Section 6071 of the Deficit Reduction Act)," Docket #CMS-2026-2278, Form CMS-10249, published May 20, 2026.

CRAE is a project of the Main Street Foundation, a recently-formed non-profit, non-partisan 501(c)(3) research and education foundation. Our mission is to bring a disciplined, common-sense perspective to the regulatory process, one grounded in real-world experience, sound science, and rigorous economic analysis. We work to ensure that the costs, risks, and benefits of regulatory proposals are evaluated transparently and accurately, and that the voices, interests, and freedoms of Americans, particularly small businesses and working families, are meaningfully represented in regulatory debates. Above all, we focus on outcomes: regulations should address real problems, function effectively in practice, and improve conditions on the ground—not exacerbate the challenges they are intended to solve.

## Introduction

The Center for Regulatory Analysis and Engagement (CRAE), an initiative of the Main Street Foundation, appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' proposed revision of the information collection governing the administrative requirements of Section 6071 of the Deficit Reduction Act. CRAE promotes federal

administration that is effective, transparent, accountable, and proportionate to the governmental interests at stake.

CRAE supports the Money Follows the Person Rebalancing Demonstration and its commitment to individual choice, independence, and community-based care. Medicaid beneficiaries should not be confined to institutional settings merely because legal, financial, or administrative arrangements make it difficult for public resources to follow them into appropriate community settings. When properly implemented, MFP can improve participants' lives while encouraging states to develop more responsive long-term-care systems.

Effective reporting is essential to determining whether the demonstration fulfills those purposes. CMS should obtain the information necessary to protect participants, oversee federal expenditures, and evaluate state performance. At the same time, reporting should be carefully designed so that state resources remain focused on facilitating successful transitions and delivering services. Accountability and administrative proportionality should operate together to strengthen the program.

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**I. Money Follows the Person Advances Choice and Administrative Flexibility**

Section 6071 responds to a longstanding structural problem within Medicaid: funding and administrative systems can favor institutional care even when an eligible individual would prefer, and could appropriately receive, services in the community. MFP seeks to remove those barriers by allowing Medicaid resources to follow the individual into a qualifying community-based setting. This approach properly places individual needs and informed preferences ahead of inherited administrative arrangements.

The demonstration's objectives are both practical and important. Rebalancing state long-term-care systems can expand meaningful alternatives to institutionalization, while greater flexibility can help states direct resources toward the settings most appropriate for individual beneficiaries. Continuity-of-service protections are particularly important because transition should not mean interruption. Participants must have confidence that necessary services will remain available after they leave an institution and that their health and welfare will continue to be protected.

Sound reporting requirements are necessary to determine whether these objectives are being achieved. CMS and participating states should be able to establish that transitions are voluntary, appropriately planned, safe, and supported by dependable services. They should also assess whether community placements remain successful over time, improve participants' quality of life, and avoid preventable reinstitutionalization. Expenditure and activity counts alone cannot provide a complete picture of program performance.

Support for MFP and insistence on meaningful accountability are therefore mutually reinforcing. Transparent, reliable information can identify successful state practices, reveal implementation problems, protect participants, and demonstrate whether federal resources are producing durable results. Accountability should not be treated as an obstacle to individual choice and administrative flexibility; properly calibrated, it is one of the principal means of preserving them.

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## II. CMS Should Provide the Materials Necessary for Meaningful Public Comment

CMS describes this information collection request as a revision of a currently approved collection. Yet the public docket does not include the supporting statement, proposed instruments, detailed burden calculations, or an analysis identifying the changes from the existing collection. These materials are necessary to understand what CMS proposes to revise and whether the revised collection represents an appropriate exercise of its administrative authority.

The absence of those materials is particularly significant because the notice reflects substantial changes in the aggregate estimates. The currently approved collection identifies 410 annual responses and 5,003 annual burden hours, while the present notice estimates 329 responses and 2,706 hours. A genuine reduction in state reporting burdens would be welcome, but the notice does not explain whether these decreases result from simplified forms, eliminated requirements, fewer respondents, revised assumptions, or other changes.

Without the underlying documents, commenters cannot meaningfully assess the collection's necessity, practical utility, clarity, potential duplication, or estimated burden—the very subjects on which CMS requests public input. Nor can the public determine whether reduced reporting would preserve the information needed to protect participants, monitor expenditures, compare state performance, and evaluate program outcomes. Meaningful participation requires more than aggregate estimates and a general description of the collection.

Before submitting this collection to the Office of Management and Budget, CMS should publish the complete proposed package and identify each material change from the currently approved collection. It should also explain the methodology underlying its response and burden estimates and provide sufficient time for informed public review. Doing so would improve the quality of public input and demonstrate the transparency that should accompany administration of a significant federal-state demonstration.

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## III. Reporting Should Emphasize Transparent, Comparable Outcomes

CMS should design the collection to measure meaningful program performance rather than administrative activity alone. Enrollment figures, expenditures, submitted plans, and completed processes may be necessary for program management, but they do not by themselves establish whether MFP is achieving its statutory purposes. The reporting system should enable CMS and the public to understand whether participating states are producing successful transitions and durable improvements in community-based care.

Core performance measures should address whether transitions occur successfully, services remain continuous, and participants' health and safety are protected. Reporting should also examine changes in quality of life, the sustainability of community placements, and rates of avoidable reinstitutionalization. Where difficulties arise, the data should help distinguish among inadequate transition planning, service interruptions, housing limitations, workforce constraints, participant circumstances, and other causes that may require different responses.

Financial reporting should make program expenditures similarly understandable. CMS should distinguish amounts spent directly on participant services and transition assistance from state

administration, contractor expenses, information systems, evaluation activities, and other overhead. These categories should be defined clearly and applied consistently. Greater visibility into the use of funds would strengthen fiscal oversight while helping CMS identify which expenditures contribute most directly to successful and sustainable transitions.

Definitions, measurement periods, and reporting conventions should be standardized sufficiently to permit reliable comparisons across states. States may operate different Medicaid systems and serve different populations, but excessive variation in terminology or measurement can obscure rather than illuminate performance. CMS should preserve appropriate operational flexibility while establishing common definitions for central measures and clearly identifying circumstances in which state-specific differences limit direct comparisons.

Finally, CMS should explain how each major reporting requirement advances a defined administrative purpose. Required information should bear a demonstrable relationship to Section 6071's statutory objectives, fiscal integrity, program evaluation, or participant protection. Making those connections explicit would help CMS identify duplicative or low-value requirements, improve the usefulness of the resulting data, and assure participating states that reporting obligations are being imposed for clear and necessary reasons.

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## IV. CMS Should Minimize Duplication and Unnecessary Burden

Meaningful accountability does not require collecting every potentially useful data point. Each reporting requirement consumes administrative resources that could otherwise support participant transitions, service coordination, quality improvement, or other program activities. CMS should therefore distinguish information that is essential for statutory oversight, fiscal accountability, and program evaluation from information that may be interesting but provides limited practical value.

Wherever practicable, CMS should rely on existing Medicaid administrative data and information already submitted through related federal reporting systems. States should not be required to enter substantially identical information into multiple forms, workbooks, or data files merely because different components of CMS or its contractors use the information for different purposes. CMS should identify overlapping requirements and establish a single authoritative source for commonly reported information.

Electronic reporting systems should further reduce burden through common definitions, reusable data fields, automated validation, and prepopulated information. Properly designed systems can improve consistency and accuracy while reducing repetitive manual entry. CMS should also ensure that reporting platforms are interoperable with state systems to the extent practicable and avoid transferring unnecessary technological or reconciliation costs to participating states.

Lastly, CMS should periodically review the continued value of each reporting element. Requirements that have become obsolete, duplicate other collections, produce unreliable data, or no longer inform meaningful decisions should be revised or removed. Periodic review would help preserve a reporting system that remains focused, useful, and proportionate as the demonstration and state Medicaid systems evolve.

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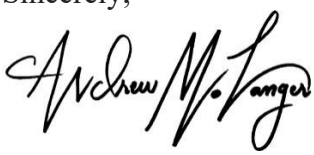
**Conclusion**

CRAE supports the Money Follows the Person Rebalancing Demonstration and its commitment to individual choice, independence, and community integration. Medicaid administrative and financing arrangements should not unnecessarily prevent eligible individuals from receiving appropriate long-term services in the settings they choose.

Transparent reporting, comparable outcome measures, fiscal accountability, and proportionate administration will strengthen MFP and help sustain confidence in its continued operation. Properly designed reporting can protect participants and federal resources while allowing states to devote their attention to successful transitions and dependable community-based services.

Before submitting this collection to OMB, CMS should publish the complete revised package, identify all material changes, and explain the assumptions underlying its response and burden estimates. CMS should also ensure that every reporting requirement provides demonstrable oversight, fiscal, evaluative, or participant-protection value and that unnecessary duplication and low-value requirements are eliminated.

Sincerely,



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